

**MOTION #1 TO DENY THE DISSOLUTION OF THE PALMYRA-EAGLE AREA SCHOOL DISTRICT (as amended by SDBAB)**

That the resolution of the Palmyra-Eagle Area School District board of education adopted July 1, 2019, to order dissolution of the district, be denied and that the territory of the Palmyra-Eagle Area School District remain intact.

That the resolution of the Palmyra-Eagle Area School District (PEASD) board of education adopted July 1, 2019, to order dissolution of the district, be denied and that the territory of the Palmyra-Eagle Area School District remain intact.

This decision is based on the criteria identified in Wis. Stat. § 117.15 as they affect the educational welfare of all of the children residing in all of the affected school districts. The findings of the School District Boundary Appeal Board as they relate to these factors are as follows:

- (1) The geographical and topographical characteristics of the affected school districts, including the estimated travel time to and from school for pupils in the school districts.
  - Geography, topography, and travel time would not affect students if the PEASD is dissolved but the schools are kept open. Both WUSD and MASD had indicated one or more schools might be kept open.
  - Distances that some PEASD students might have to travel to get to schools in neighboring districts might not be unreasonable when compared to distances in other districts, but distance is not the only issue. Also a concern is the time a child would have to spend riding a bus to get to school.
  - If PEASD schools were to be closed due to dissolution, longer distances could be an inconvenience for students participating in early start programs, and inhibit the ability of families, particular those with low income or other disadvantages, to participate in school activities with or for their children.
  - Longer distances and travel time given the topography of the area could affect the safety of students driving to or from schools in other more distant communities.
- (2) The educational needs of all of the children residing in the affected school districts, the educational programs currently offered by each affected school district and the ability and commitment of each school district to meet those needs and continue to offer those educational programs.
  - If dissolution of the PEASD resulted in students being moved to bigger districts there might be a larger number of classes from which the students could choose.
  - A bigger district could provide students more opportunity to find like-minded students with whom to share interests or activities.
  - The PEASD provides many opportunities for students, allowing them to get a well-rounded education.
  - Because of the district size, PEASD students that join activities almost always have a chance to be on any team or participate actively.
  - Current PEASD offerings for students that have a great deal of community support, including local funding, ensure that there is no opportunity gap.
  - If dissolving the PEASD resulted in the closing of PEASD schools, special education students could be negatively affected by having to make a transition to a new location, with new staff and classmates.
- (2m) If territory is proposed to be detached from one school district and attached to an adjoining school district or proposed to be included in a new school district under s. [117.105](#), whether the proposed detachment will have any adverse effect on the program currently offered by the school district from which the territory is proposed to be detached, including both curricular and extracurricular aspects of that program.
  - Dissolution of the district would completely eliminate current PEASD programming.
- (3) The testimony of and written statements filed by the residents of the affected school districts.

SDBAB members noted:

- Bullying was identified as a reason that a number of families had chosen to open enroll out of PEASD, many of the incidents noted had occurred in the past, and some amount of bullying was likely happening in every district.
- Testimony that the PEASD had cut summer school to control costs was troubling.
- There was testimony that suggested the distance to schools in other communities would not be a factor if the current PEASD schools remained open.
- Testimony from some Town and Village of Eagle residents indicated that Mukwonago, not Palmyra, is the community to which they feel most connected, and suggested that those residents were not likely to change their minds regarding support for PEASD.
- Testimony or information was provided by representatives of all the neighboring school districts, all of which indicated opposition to the dissolution of PEASD, as well as intent to provide good services to any students they might get if dissolution was to occur.
- Testimony from representatives of the Whitewater Unified School District (WUSD) indicated the WUSD has the highest mill rate in the area, and is working under a number of operational referendums, suggesting that the addition of territory from PEASD could create a financial challenge.
- Testimony from representatives of the WUSD indicated that there are only three PEASD students currently open enrolled to the district, a major concern suggesting that Palmyra residents would not want to be part of the WUSD.
- Testimony from representatives of the WUSD indicated the possibility of financial concerns should PEASD territory be attached but families chose to open enroll to other districts.
- Testimony from representatives of the Mukwonago Area School District (MASD) indicated no interest at this time in absorbing the entire PEASD, that the issue has not yet been discussed at length and that more time would be needed to plan.
- Representatives of the East Troy School District (ETSD) indicated willingness to absorb a part of the PEASD in Waukesha County that is on their northern boundary, as well as the part of PEASD that is in Walworth County.
- Representatives of ETSD expressed concern about the creation of a “super district” that could result in financial and enrollment disadvantages for the neighboring districts, if PEASD was dissolved and added in its entirety to MASD.
- Information from the Jefferson School District representative suggested a possible negative effect on home values in a community without a school and possible negative financial consequences for other Jefferson county districts should PEASD be dissolved.
- The testimony and information from residents at the hearings was generally 75% opposed to the dissolution of the PEASD, and 25% in support.
- The testimony demonstrated a significant division in the community but residents of both Palmyra and Eagle indicated a wish for the PEASD to continue to exist.
- There was testimony suggesting possible fraud and mismanagement of the PEASD, but it was noted that a school district is a ready target for dissatisfied residents wishing to find fault.
- There was testimony suggesting the PEASD was a victim of open enrollment.
- There was testimony that the current PEASD school board had acted in good faith but may have made some bad decisions.
- There was testimony indicating the importance of a school to a community, positive commitment from local groups and businesses to work to keep the PEASD open, that there were a number of community partnerships, and the community had responded to funding needs, including providing scholarships.
- Community representatives testified about plans to raise money to keep the PEASD going another year.
- There was testimony from residents suggesting they may not have been paying enough attention to the financial condition of the PEASD, did not believe that dissolution could happen, had now been given a wake-up call, and now had a sense of urgency regarding the need to try to make the district successful.
- There was testimony noting a long history in the PEASD of generations of families having attended and graduated, the success of many graduates, and local pride in the district and community.
- Testimony suggested a positive family atmosphere in PEASD schools.
- Testimony included examples of PEASD staff members going the extra mile to support students.
- Testimony noted that over the years PEASD schools had generally met or exceeded academic expectations but that it was problematic to put too much emphasis on test scores; that testing should not

be the single factor on which to evaluate a school, that there was reason to appreciate middle school students and those who work with them despite the recent lower score for the middle school.

- The group heard from a number of students, the focus should be on “kids first”, the testimony of students was compelling, attention should be paid to their fears regarding loss of opportunity, and emotions cannot be discounted.
- There was testimony that open enrollment was available and the right of families that did not want their children to be in the PEASD, but that choice should not result in dissolution of the district, which would negatively impact the ability of other families to choose their home district for the education of their children.
- A group of community representatives presented a plan for success of the district that focused on cost reductions, revenue enhancements, and innovative programming.
- Denial of the dissolution would be a way to allow for the community to consider other options to resolve the issues in the district, to provide all residents with their choice of school, and not penalize one group to satisfy the wishes of another group.
- Affirming the dissolution would not allow time for the community to come together to try to determine a way for the PEASD to continue.

(4) The estimated fiscal effect of the proposed reorganization on the affected school districts, including the effect of the apportionment of assets and liabilities.

- The dire financial condition of the PEASD is an issue – the community must pull together.
- The ability of a district to manage financially with 40% of its students open enrolled out is questionable.
- It is unlikely that fundraising could support the district over time.
- If PEASD was dissolved and divided between WUSD and MASD the former PEASD residents in Jefferson County could see a property tax increase, while those in Waukesha County could get a tax cut.
- If PEASD was dissolved the districts getting the territory would also get a share of the PEASD debt, debt that had not been authorized by their own school boards or citizens, which might be looked at as taxation without representation.
- If the SDBAB were to dissolve PEASD, it could be seen as imposing taxes on the citizens of the district or districts that had not elected any of the SDBAB members.
- Districts receiving territory could face unknown factors, such as the number of students that might choose to open enroll out.
- The state aid formula only allows for students added by a dissolution to be counted as one third in the first year, potentially a negative impact that could lead to a domino effect and harm to all the surrounding districts.
- State aid per student is \$1000 less for PEASD than for MASD.
- The Open Enrollment and Revenue Limit laws have had unintended consequences.
- PEASD has been the victim of circumstance – a combination of state finance laws, Open Enrollment, declining enrollment, and some board decisions, have exacerbated the situation.
- If dissolution was affirmed, the districts getting territory would take in the students and do as well as they could for them, but could incur new and unanticipated costs not fully funded, which could have an immediate negative impact, forcing cuts that would hurt all the students, and costs that could end up on the backs of kids.
- Dissolution could have a huge effect on any district getting territory.

(5) Whether the proposed reorganization will make any part of a school district's territory noncontiguous.

- None of the reorganization options considered would result in non-contiguous territory.

(6) The socioeconomic level and racial composition of the pupils who reside or will reside in territory proposed to be detached from one school district and attached to an adjoining school district, in territory proposed to be included in a new school district under s. [117.105](#) or in school districts proposed to be consolidated or in a school district proposed to be dissolved; the proportion of the pupils who reside in such territory who are children at risk, as defined under s. [118.153 \(1\) \(a\)](#); and the effect that the pupils described in this paragraph will have on the present and future socioeconomic level and racial composition of the affected school districts and on the proportion of the affected school districts' enrollments that will be children at risk.

- There is no available count of children fitting the definition of children at risk.

- There is not a big difference among the districts with regard to the percentage of students of various groups.
- WUSD has the largest percentages of children with low socioeconomic status or other identified needs. Adding additional students in need through dissolution of PEASD could be a resource drain, increasing stress on district finances.
- MASD has the lowest percentage of students with identified needs or disadvantages.
- Services for children with disabilities can be costly for a school district. The percentage in WUSD is 17%; and in PEASD, 15%. A dissolution that added children with disabilities to a neighboring district could hurt all the children by taking funding from regular programming to add services. In particular, this impact is in years 1 and 2 due to the 1/3 and 2/3 FTE count.
- It is not known how many children with disabilities in PEASD reside in Jefferson County or Waukesha County.
- A dissolution that would make children at risk move to a new district could create a significant disadvantage, possibly putting them at even more risk.

(7) The results of any referendum held under s. [117.10](#).

- The advisory referendum result overall supported PEASD dissolution. The result in the Eagle part of the district in Waukesha County supported dissolution, while the result in the Palmyra area of Jefferson County opposed dissolution.
- Concern is that the result might have been in part a negative reaction to the April funding referendum, when some citizens were unhappy at what may have been poor communication and a perceived threat from the board. Question about whether that result would be the same now.

Other appropriate factors.

- There is continuing animosity between factions in the PEASD, community is part rural, part suburban.
- Many funding referendums have failed, and open enrollment out has been growing, including 40% of current 4 and 5K.
- Assignment of territory, and debt, to districts that don't want it could be seen as taxation without representation. Kettle Moraine stated that this could result in lawsuits by KM taxpayers.
- The assignment of assets in a dissolution would need to include some determination of value. The question of use value for a school building could be contentions, resulting in litigation.
- School finance policy does not help districts that would get students and territory through dissolution, except for the revenue limit exemption for transfer of service. The aid formula that allows a district to count only one third of a student in the first year is not adequate..
- The funding incentives that are available for a consolidation are not available for a dissolution.
- The possibility of other districts in financial distress facing dissolution cannot be underestimated given the overall landscape of public education.
- Affirming a dissolution would set a big precedent. This may encourage districts to move to dissolution rather than considering other alternatives.
- PEASD has been the victim of circumstance – a combination of state finance laws, Open Enrollment, declining enrollment, and some board decisions, have exacerbated the situation.
- The revenue limits may have had the desired effect of slowing down the growth of education costs when initially implemented, but now cause inequities that force some districts to referendum when their neighbors get all they need without doing so. The revenue limits have not increased enough and did not recognize differences in the base costs of each district at the time of implementation. No business could survive without the ability to raise revenues to account for the increase in costs. People cannot be treated like products.
- Palmyra may be able to exist on its own as a school district, without the Eagle territory, which may mean an increase in special education costs.
- The existing dissolution statute does not provide any viable solution to the issues faced by PEASD.
- Denying the dissolution will be an indication that there are many unanswered questions and unknown factors that the process in statute is not sufficient to address.

*The Secretary of the School District Boundary Appeal Board is directed to prepare an order denying the dissolution of the Palmyra-Eagle Area School District, to be signed by the Secretary and Chair of this School District Boundary Appeal Board and mailed as provided in Wis. Stat. § 117.17(2).*

*The School District Boundary Appeal Board delegates to the Chair the authority to request representation from the Wisconsin Department of Justice on any potential appeal relating to this order, subject to the provision that the Chair will notify the Board of such request for representation and will schedule a meeting of the Board to further consider the matter upon the request of a Board member.*

Moved by Ms. Maloney, second by Mr. Weber

Vote: 6 Yes, 1 No

No vote: Mr. Carlson